

Town of Bedford Finance Committee

Town Hall, Selectmen's Meeting Room

March 13, 2014

Members in attendance: Rich Bowen, Tom Busa, Bob Kenney, Elizabeth McClung, Barbara Perry, Mike Seibert (Chair, left before end of meeting), Steve Steele (acting Chair for last part of meeting), Ben Thomas.

Others in attendance: Don Corey, *Historic Preservation Committee (Chair)*; Bill Deen, *Friends of Depot Park member*; Victor Garofalo, *Director of Finance and Collector/Treasure*; Brad Hafer, *School Committee*; Amy Hamilton, *Recreation Director*; Bill Moonan, *Selectmen (Chair)*; Tom Mulligan, *Recreation Commission*; Joe Piantedosi, *Depot Park Advisory Committee (Chair)*; Ed Pierce, *School Committee (Chair)*; David Powell, *3 McMahan Road*; Rick Reed, *Town Manager*; Jim Shea, *Depot Park Advisory Committee*; Jon Sills, *Superintendent of Schools*; Julie Turner, *recorder for The Bedford Citizen*.

Recreation Revolving Fund Presentation: Ms. Hamilton began by enumerating a number of projects in various stages of development. As a municipal entity, Hamilton said Rec's "hands are often tied" because it cannot act unilaterally. Projects must receive input and approval from multiple departments and, because Rec doesn't execute the work, projects need to achieve priority status with those who will do it before work commences. Ms. Hamilton said it is her experience that Rec projects often fall to the bottom of other departments' to-do lists.

Projects as listed:

| <u>Kids Club</u> | <u>Cost</u> | <u>Status</u> | <u>Initiated</u> |
|---|------------------|------------------------------|------------------|
| Artificial playground turf for Kids' Club | 51,000.00 | Contract Pending | 3/2013 |
| Security features for Kids' Club/Youth Center | 30,000.00 | Waiting for Facilities Dep't | 3/2013 |
| Kids' Club "porch"/stairs for KC and concerts | <u>10,000.00</u> | Pending Selectmen approval | 1/2014 |
| | 91,000.00 | | |

Recreation Revolving

| | | | |
|--|------------------|-----------------------------------|---------|
| New office space for Adult Coordinator | 5,000.00 | Work underway | 6/2013 |
| Corner (youth center) equipment | 5,000.00 | Ongoing purchases | |
| Outdoor basketball court enhancements | 20,000.00 | To be done prior to summer | 9/2014 |
| Skate Park repairs | 10,000.00 | Obtaining quotes | 10/2013 |
| Office floor maintenance | 2,000.00 | Work to be done spring/summer '14 | |
| Software training and conversion | 7,500.00 | Spring 2014 | 10/2012 |
| Gymnastics Equipment | 3,500.00 | Ordered | |
| Press box | <u>20,000.00</u> | Fall 2014 | 2/2014 |
| | 73,000.00 | | |

Other Projects

| | | |
|--------------|-----------|-------------------------------|
| Youth Center | 25,000.00 | Ongoing, payroll and supplies |
|--------------|-----------|-------------------------------|

| | | | |
|---|-----------|--------------------------|---------|
| Summer Adventures equipment | 10,000.00 | Summer 2014 | 11/2013 |
| Two-Way Radios | 3,000.00 | | |
| SBP improvements | | Survey to gauge interest | |
| Timer for Sabourin Field lights | | | |
| Retractable awning for west end of North Wing | | | |
| Cage for attic storage | | | |
| | <hr/> | | |
| | 38,000.00 | | |
| Grand Total \$ 202,000.00 | | | |

Details:

- The artificial turf for the Kids' Club play lot is not the same type as Sabourin Field. This variety doesn't include the tire "rubble". The lowest bid for the job was \$51,000. Rec is awaiting Selectmen's approval. The project has been in the works for a while but was delayed when Rich Warrington retired as head of the DPW and, after that, because of winter weather. Project will commence this spring.
- Added security features for Kids' Club such as a swipe card entry and pin code system will make the childcare center "less accessible to the public." The project got lost in the shuffle when former Facilities Director Richard Jones retired. The cost quoted does not include security cameras which the Rec Commission is not sure about yet.
- The asphalt pad project has a dual purpose. The first is to provide a hard-surface play area at the end of the building for Kids' Club. The second is to create a better platform for the summer concert "stage". Ms. Hamilton said she is pricing awnings for the project so that musicians— and their instruments—will have protection from weather.
- A new office area within the Rec space is being created to provide sound barriers and privacy. Walls and doors will be installed.
- The Corner, Rec's middle school after-school program, is in need of equipment and computers. The Commission has approved the investment.
- The outdoor basketball court facility near the high school needs some repair. Rec is discussing the scope of the job that may include netting to keep stray balls from bouncing out of the courts onto B field.
- Skate park repairs will cost less than originally thought—\$5,000 instead of the \$10,000 listed—since much of the equipment is still under warrantee.

- The item “office floor maintenance” refers to work planned to lessen the noise from loud, creaky floor boards in the Rec office. Mr. Steele asked why Rec would pay for the project since the building is a Town facility. Ms. Hamilton replied that the Commission was willing to absorb the expense in order to “get it done.”
- Software training and conversion is a project that Rec has put off because the staff likes— and is used to— the current program. However, the current software is no longer supported by the maker and the new software looks to be even better.
- Investment in gymnastics equipment has been postponed for a number of years while the program shuttled around from place to place. Now that there are two permanent homes for the program—the Congregational Church and Lane School—and enrollment numbers are once again robust, the Commission has approved the expense. Ms. Hamilton noted that gymnastics is one of the few programs that Rec offers for very young children.
- Contribution toward a new press box at Sabourin Field has not yet been approved. It is thought that the Mudge Fund— and perhaps other sources— will pool together to make the project possible.

Mr. Thomas asked how much use Rec would get from a press box. Ms. Hamilton replied that Rec would be “contributing to the facility” by sharing the cost and that groups inquiring about Sabourin Field rental often ask about the availability of a press box. She pointed out that Rec has already contributed to the facility by paying for netting on the field.

Mr. Steele asked if Bedford TV has been asked to contribute since it uses the press box for recording games and makes a profit from selling DVDs of sporting events. Ms. Hamilton didn’t know but said more investment in the facility—like for restrooms— might be coming in the future.

- The Corner Youth Center salaries are supported by the Town up to \$25,000 a year. After that sum has been exhausted, the Rec revolving fund covers the remaining amount. All non-salary expenses throughout the year for The Corner come from the revolving fund. Ms. Hamilton said the FY14 allocation from the Town was “used up about a month ago”; the fund is tapped for between \$19,000 and \$23,000 yearly for this purpose.
- Summer Adventures equipment is old and Rec is trying to “spruce it up.” Two way radios are also needed.

Mr. Steele asked if the Town’s \$25,000 allocation to The Corner includes benefits. Ms. Hamilton said that no one currently employed at The Corner is eligible for benefits, although if they were, the benefits would be covered by the Rec revolving account. The only three Rec employees to receive Town-paid benefits are Ms. Hamilton, Nick Cacciolfi and Janet Humphrey.

Ms. Hamilton said it's a long process to add a new position to a Town department but Rec is considering the addition of a permanent, year-round position to cover the Youth Center during the school year and the middle school-age programs in the summer. The Commission has not yet approved the new hire.

On the subject of Springs Brook Park, Ms. Hamilton said she was not sure what would ultimately happen. The Commission is pondering how to attract older kids and more Bedford residents, while addressing recurrent water clarity challenges. Keeping the wading area as it is but adding a full-size pool is a possibility; the revolving fund would be tapped for portion of an investment as large as that.

Ms. Hamilton said that the wading area provides "zero depth entry", particularly for small children. The deeper part of the pond has been more problematic because of murkiness and while classes have not been disrupted, the docks are often closed in the afternoon after the bottom of the pond has been stirred up. It would be more reliable to have a pool for older child and adult swim that wouldn't be prone to frequent closure.

Ms. McClung asked if Ms. Hamilton had concerns about heat radiating from the proposed artificial turf in the Kids' Club play lot. Ms. Hamilton replied that the lot would be equipped with hoses and sprinklers to be used on those occasions when the area needed to be cooled down.

Mr. Seibert asked if the artificial turf would need to be cleaned. Ms. Hamilton said DPW Director Sorenson was the better person to ask since he is dealing more closely with the vendor.

Ms. McClung asked how often the skate park is used. Ms. Hamilton said it is used all the time. She agreed with Ms. McClung that trash is a concern, although a least part of the problem is that there is not always a trash barrel on the grounds.

On the subject of the press box, Ms. McClung asked if a ramp rather than a lift would be cheaper. Ms. Hamilton said that the Schools' S Athletic Director Keith Mangan has conducted research into the question and he reports that a ramp would be more expensive is because it requires more material and space due to slope.

Looking at the FY14 Revolving Fund balance report, it was noted that Summer Adventures revenue has declined and Springs Brook Park lost money while Kids' Club revenue and general Rec programs have been more than self-sustaining. A snapshot of the current Rec Revolving Fund balance available after encumbrances is 374,354.05 (through Feb. 2014).

Ms. Hamilton gave an historical view of the trajectory Summer Adventure enrollments has taken, saying that over the last few years, the program has not attracted as many campers as during Ilsa Gottlieb's tenure.

Part of the change is in the number of programs that remain under the Summer Adventures umbrella. Ms. Hamilton said that originally there were pre-school, overnight/get-away, and summer stock options included. When the Ms. Gottlieb retired and the leadership changed, some of the older kids' camps were taken out from the Summer Adventures umbrella and managed separately. The core program—

pre-school to grade 6—remains in the Summer Adventures category; specialty camps—sports or science, for example— are now favored and considered “Summer Rec” rather than “Summer Adventure.” Ms. Hamilton says she see a decline in regular camp enrollment starting at grade 4.

Now that the Summer Adventure program has shrunk, the aim is to enhance the younger kids’ summer program; staff changes have been made accordingly. Ms. Hamilton said it may take another year or two before these changes result in a better financial outcome. Rec is invested in making the new model work but it is also open to the possibility that changes in town demographics may no longer support a summer camp program.

Springs Brook lost more money last year than in any recent year. Ms. Hamilton said payroll was higher because a new supervisory position was created to focus adequate attention on safety concerns. She added that Park employees took over some additional responsibilities and that chlorine prices went up.

Mr. Steele said— the way he reads the tallies— Springs Brook made money in FY13, based on a full 12-month snapshot. Ms. Hamilton disputed that assertion, saying it’s been a while since the Park broke even and break-even was the best it had ever done. It was inconclusive, ultimately, which of the two analyses was accurate.

Mr. Seibert asked about the Athletic Field revolving fund column. Ms. Hamilton said the category is a new addition and is really four separate accounts: 1) Sabourin Field rental, the goal of which is to eventually pay for replacement of the artificial turf “rug”; 2) a \$15 per-player-per-sport user fee for participation in any Rec program that requires a field. This revenue is to be used by the DPW Grounds department “in whatever way it sees fit”; 3) an electric light account for Sabourin Field; 4) an electric light account for Page and E Field. When those fields are rented for nighttime use, a light fee is included. The money goes into the accounts, which pays electric bills as they come in. These 4 accounts were set up last fall and the first revenue was deposited in October 2013.

Mr. Thomas remarked that last year’s Summer Adventures was “a whopping loss.” Ms. Hamilton agreed, saying she calculated it as “a \$25,000 hit.” This is the first instance of this level of deficit in the program’s history. One area of lost revenue is due to the loss of the Schools’ contribution of \$20,000 - \$25,000 a summer. Years ago, the Schools subsidized the camp because students on certain IEPs benefited from the program.

Mr. Thomas said Springs Brook seems to be serving a lot of non-residents and that the Town is therefore subsidizing a non-resident recreation facility. Ms. McClung echoed some of the same concerns, saying residents don’t want to go on weekends because the Park is crowded with non-residents. Would increasing out of town admission and/or keeping resident fees lower have the positive effect of discouraging non-residents and encouraging residents?

Ms. Hamilton said the Park has benefits beyond attendance for residents in that it provides jobs for Bedford kids. She added that out-of –town fees are already more expensive than resident passes, although there is no discount for walk-ins on the weekends, matter where they live. The question of restricting the Park for use by residents-only is a philosophical one.

Mr. Thomas wondered, given the large balance in the Rec Revolving account, if the Rec Commission would consider making a substantial contribution to something like artificial turf rug replacement. Ms. Hamilton said that was for the Commission to determine. In the past, large contributions for projects—like creating playing fields on the St. Michael’s land— has been discussed.

Mr. Steele noted that at the end of FY13, the Rec Revolving fund balance was \$698,000. He asked Ms. Hamilton what the balance should be to carry on basic operations. Ms. Hamilton replied that \$300,000 is the amount deemed adequate. Mr. Steele said his calculation, based on the ebb and flow of expenses/ revenue, is that no more than \$200,000 is needed as a cushion. Ms. Hamilton replied she didn’t want to be in the position of coming to FinCom for money. Mr. Steele said that there is always revenue coming in and there should be no problem with shortfall.

Mr. Thomas said he has a problem when one program—like soccer—subsidizes another—like Springs Brook. If someone pays a fee, the fee should cover the program they’re signing up for.

Questions were posed about the field use fee. Ms. McClung asked if the \$15 field maintenance fee will go toward replacing the rug. Ms. Hamilton said that Rec has just started charging the fee and that it made more sense to call it a “field maintenance fee” rather than a “Sabourin turf replacement fee” because families paying the fees may never have a child that plays on Sabourin. It’s intended to cover any field maintenance, not specifically Sabourin. The Sabourin rental account is earmarked for rug replacement.

Members objected to this, saying one of the selling points of the turf field was that a fee would be charged to cover replacement costs. If the field use fee is used by the DPW “as it sees fit”, rather than going into a sinking fund for rug replacement, rug replacement costs not covered by the Sabourin use fee would have to come from somewhere else. Ms. McClung said she sees this as “a trust issue”: the difference between what was promised and actuality.

Mr. Thomas reported the decision for the fee structure was made by the Selectmen, not the Rec Commission.

Mr. Seibert asked if there is a Springs Brook Park study group that the town should expect to hear recommendations from. Ms. Hamilton said one was formed originally to look at short term solutions to water clarity issues in order to open the Park two seasons ago. Now the group is working within a longer frame of reference. The Rec Commission is the entity from which the recommendations will flow.

Mr. Bowen said that Springs Brook is a “unique Bedford experience” that would be hard to lose. With the season pass at \$250 for residents and \$350 for non-residents, there is room for increase that would help to sustain the Park.

Ms. Hamilton said the number of memberships/season passes sold has decreased. Her fear is that if fees are raised, even fewer would be sold. Mr. Bowen said different formulas could be tested and promotion for the Park can be improved. Ms. Perry asked if residents know that the Park is no longer as crowded on weekends. Ms. Hamilton said an effort has been made to get the word out.

Mr. Steele commented that residents go away on weekends. Times and demographics have changed and many people don't stay in town in the summer because "they have other options."

Mr. Thomas expressed concern about the size of the Revolving fund, saying more should be done with it. He added that this is the same comment he made last year.

Depot Park: Depot Park Advisory Committee Chair Joe Piantedosi gave a presentation about the area in response to FinCom concerns about the overall amount of money being proposed for restoration of the passenger depot building, built in 1874.

The purpose of Depot Park, Piantedosi said, is to improve public safety at the Bikeway terminus; provide public amenities and Bikeway parking; beautify and revitalize the area; and preserve Bedford's unique railroad history.

Prior to recent upgrades of the depot area, the parcel was in rough condition, remembered variously as "a wasteland" and "an eyesore" at different points during the presentation.

Starting in 1995, the area became the target for restoration. Mr. Piantedosi provided this timeline of project accomplishments:

- 1995 - Transportation Enhancement Grant Awarded to Bedford \$1,128,968
- 1998 - Rail Car 6211 Donated to Bedford by FBDP
- 1999 - Depot/Freight House Properties Acquired
- 2003 - Depot Park Site Work
- 2005 - Intersection Reconstructed
- 2007 - Depot Architectural Study
- 2008 - Freight House Exterior Renovation
- 2009 - Freight House Interior Renovations
- 2009 - Depot - New Cedar Shingle Roof
- 2012 - Depot Exterior Painting and Masonry
- 2014 - Depot Exterior Renovation - Phase One
- 2014 - Depot Exterior Renovation - Phase Two

Mr. Piantedosi said that sales from the Freight House Visitor Center and rents from the train car and the depot go back to the town to cover upkeep of the property, making operating costs "financially neutral." Additionally, the enhancements to the historic property and beautification of the Bikeway terminus encourage visitors to appreciate what Bedford has to offer. Mr. Piantedosi said that the new condominiums going into 54 Loomis Street and improvements to Ken Larson's property on Railroad Avenue are examples of improvements spurred by investment in Depot Park.

Mr. Piantedosi emphasized the historical significance of the site of the country's first "common-carrier, two foot gauge railway."

Work on the exterior of the building includes a new roof done in 2009 (\$125,726) and masonry repairs in 2012 (\$5,700). Planned Exterior restorations, Phase 1 (\$213,400 already funded by ATM 2013) and Phase 2 (\$215,000 to be voted at ATM 2014) equal another \$428,400 for a subtotal of \$ 559,826. Minus a Mass Historic grant of \$60,000, the total allocated/proposed for exterior work is \$ 499,176.

Including work to the parking areas and intersection improvement, the total cost to date for the area is \$2,942,582. 87% of the total (about \$2.5M) has been covered by Federal, State, private grants, and pro-rated volunteer labor; \$382,500 of the total has come from the Town.

Mr. Corey added that the amount contributed by the Town is overstated. Because CPA funds are matched by the State, a portion of the so-called “Town funds” actually came from the State.

FY13 revenue from tenants, train car rental, and sales at the Visitors’ Center was \$36,027; FY13 expenses for Depot Park were \$15,605 for utilities, maintenance and repairs \$4,684, custodial \$ 2997 and pro-rated \$8,700 for grounds keeping snow removal. Mr. Piantedosi said Depot Park does not pay the DPW for grounds/snow removal but calculates the expense all the same. If the unexpended DPW “expense” is included in the financial model, Depot Park had a net gain in FY13 of \$4,059; if it is not included, the net gain is higher: \$ 12,759.

Mr. Piantedosi said the reason Phase 2 should be done now— at the same time as Phase 1— is because completing the project with one contract is less expensive than breaking it into two separate projects. A single project also means less tenant disruption, more rental income following completion, and no awkward “half-done” appearance.

Mr. Reed explained why the exterior renovation project was originally broken into two parts: Bedford applied to the Massachusetts Historical Commission for a \$100,000 grant—the amount the award was capped at—that required a 100% match from the town. The architect for the project calculated what \$200,000 of work would accomplish and that became the scope of Phase 1. If the Town’s grant application had been successful, the plan was to reapply for a grant to cover the second phase. Rather than receiving the full amount, the grant awarded was less than anticipated— \$60,000—leaving a gap of \$40,000.

When the bid for Phase 1 went out, the Town also requested estimates on how much the whole project would cost as opposed to two separate projects. Mr. Reed said the results were “very favorable”. The Selectmen and Community Preservation both agreed it made sense to save money by doing the whole project all at once. Mr. Corey said Phase 1 and 2 together complete “anything that’s contemplated by CP and HPC. The Selectmen have no intent of going any further either. This is it.”

Mr. Busa said that FinCom toured the depot building before the roof replacement in 2009, when the estimated cost for that project was \$130,000. His problem with the current request for funds is the cumulative “cost to rehab basically a very small building.” Mr. Busa questioned whether the plan really is to do nothing further and whether requests for funds to do interior work will be next. If nothing on the second floor is historic, is the plan to keep the second floor or to take it out?

Mr. Piantedosi and Mr. Corey indicated there is no plan to rehab the interior. Mr. Corey said this is “the last \$200,000 to finish the last of almost \$3M that has vastly revitalized the area and is starting to pay benefits to the Town.” Mr. Piantedosi said for the time being, retaining the four rental units meets the short and medium range goals of the building plan. Mr. Reed said the Selectmen extended the current tenants’ leases until 2016.

However, Mr. Piantedosi added that if one prospective tenant were to come along who wanted to use the whole building— for a restaurant or architectural office, perhaps—the Selectmen might reopen discussion about doing interior work. For now, the tenants are helping to make the building self-funding. Mr. Shea said the Committee anticipates being able to charge higher rents after the restoration work is completed. The only interior work contemplated, at this juncture, is a handicap-accessible bathroom on the first floor. Revolving funds could potentially cover that project.

Mr. Corey said that the Freight building and the Depot have been restored according to historic standards. Mr. Piantedosi added that the roofing that was removed in 2009 had a high level of asbestos and required special handling. He said that, given the historic standards and the asbestos, the work was done at a reasonable price. The Depot area, he added, is now “a little crown jewel in the town” that visitors come to see because of the railroad’s historical significance.

There was some discussion, although inconclusive, of how much more could be charged for rents given square footage and market rates. Conversion to LED exterior lighting, and how air conditioning would be handled, given the desire to retain the historic building’s exterior appearance, was also discussed. The FinCom said the Depot Park Committee should be sure of the air conditioning plan before moving ahead.

Ms. McClung thanked the Depot Park Committee for a thoughtful and useful presentation. Mr. Thomas agreed, saying he appreciated the passion and work that went into improving the Depot area. He asked what the Depot Park revolving funds were dedicated to. Mr. Piantedosi said the money pays the expenses of the Park and that the funds have covered work, for example, on the interior of the Freight House that was not eligible for Community Preservation funds. The Committee tries to “run the area without cost to the taxpayer for day to day operations,” he said.

Mr. Thomas asked how long it will be until the exterior will need to be done again? Mr. Corey the roof will last 25-30 years and the siding has about the same lifespan because it is sheltered from weather by the large roof overhang.

Mr. Thomas asked whether it would have been more cost effective to tear down the building and build a replica in its place. Mr. Piantedosi said that there would have been no historic preservation funds from CP and the Massachusetts Historic Commission if that path had been taken.

Mr. Corey added that, in order to tear down an historic building, a public hearing would need to take place, per the demolition delay bylaw. On the issue of cost, he believes it has been no more expensive to preserve the building than to tear it down and build anew.

Mr. Thomas said the Depot Park Committee should aggressively seek high-quality tenants and higher rents to bring in more revenue. The Babe Ruth baseball organization, one of the tenants, pays \$7.95 per square foot in rent.

Ms. Perry said she shared concerns that Depot Park be self-sustaining but added that many remember what a wasteland the area was. Bottom line concerns should not be the only measure used to evaluate the area's upgrades.

Mr. Seibert asked what condition the building's mechanical equipment is in. Mr. Piantedosi answered that the Freight House mechanicals are all new and that the hot water boiler in the Depot is 25 years old and will need to be replaced fairly soon.

Plans for the use of funds from the Depot Park revolving fund (\$ 57,109.01 as of 11/30/13) were enumerated. Mr. Piantedosi said a new heating system is one need the revolving funds could satisfy. Another desire of the Committee is to acquire one of the railway's two historic train boilers, found "at a club up in Maine" and the group is refurbishing two donated baggage carts. These items would be put on display.

Mr. Shea referenced a 20-year Depot Park business plan saying the document "anticipates significant expenditures up ahead," such as conversion from oil to gas heating and parking lot improvements.

Mr. Deen, a relatively new member of the Friends of Depot Park, said when he looks at what's taken place since the Depot Park improvement project began 18 years ago, he sees that the plan was –from the beginning— to make the Park self-sustaining. The area has become "immensely popular" as a museum, town welcome center, and refreshment source for bikepath users. Mr. Deen added that he was bothered by "a number of comments [from FinCom] that border on sarcastic and don't give credit to the success of the project."

Mr. Steele responded to Mr. Deen, saying that the Finance Committee looks at dollars and cents and return on investment. FinCom takes its role seriously, he added, and the Committee hadn't understood how the proposed investment made sense.

Mr. Seibert thanked the Depot Park Committee and asked if anyone on the prevailing side of the previous vote to recommend disapproval of **Article 18 -Amend FY14 Community Preservation Budget** wished to make a motion to reconsider.

As one who cast a vote on the winning side of the original vote, Mr. Busa made a motion to recommend approval of **Article 18 -Amend FY14 Community Preservation Budget** for \$215,000 as written in the warrant. Mr. Steele seconded.

Mr. Steele added that the evening's Depot Park presentation had "brought him a long way but he hoped the plan and the numbers as presented work out." Mr. Steele emphasized good rents and use of the revolving fund for maintenance and upgrades. Mr. Busa said he was still concerned with the way the project has been brought forward in pieces rather than as a whole. He would have preferred the

taxpayers know the cost of entire project and he sensed this is not the last request voters will see for this building.

Mr. Seibert said he'd heard the Committee members say they wouldn't come back to the Town for money and that the revolving fund would cover upcoming expenses like mechanicals upgrade.

The vote on the motion was 7-1-0 to recommend approval.

Moving to **Article 19 Community Preservation Budget – Fiscal Year 2015**, FinCom discussed whether to change its vote and recommend approval to replenish the CP Special Properties fund with \$200,000 from FY15 CP revenue. This would compensate, in part, for the FY14 \$215,000 appropriation just approved in Article 18.

Mr. Seibert announced he felt unwell and left the meeting. Mr. Steele assumed the duties of Chair.

After assessing the value of replenishing the Special Properties fund versus leaving \$200,000 in the CP General account, FinCom ultimately took no further action on **Article 19**. If Town Meeting votes to approve **Article 18** but does not vote to approve replenishment as specified in **Article 19**, the Special Properties fund will be below \$700,000 rather than the preferred reserve balance of \$1M.

Model 3.3: Mr. Garofalo identified the changes made to the model since last week, as well as potential action items for the Committee's consideration:

- The Massachusetts Municipal Association has indicated that Bedford will receive \$30,000 more than originally proposed in Chapter 70 and Unrestricted Aid. Mr. Garofalo said changes could be made to the line items in the fall at Special Town Meeting when the budget has been approved.
- During the intervening week, Mr. Garofalo asked the Assessors if could release any of the Overlay Surplus but they are not willing to do so at this time.
- The snow deficit now stands at \$450,000.
- Based on "actual rather than theoretical" additional School Department FTE's, Mr. Garofalo calculates that the health insurance allocation for FY15 can be reduced by \$32,000. With this adjustment, the health insurance budget would be \$5,295,733. This equals an adjustment down to \$585,275 for the Medicare portion of the budget and an adjustment down to \$794,061 for General Insurance.

Mr. Bowen made a motion to reduce the health insurance budget by the above numbers. Ms. McClung seconded. The vote passed 7-0-0.

With these changes, the surplus in the model stands at \$65,767.

Moving on to the Selectmen's budget, Mr. Garofalo noted a reduction but said it merely reflects moving money from the contractual reserve line item to the Fire department where the salary

and expenses line items have been adjusted accordingly. Firefighters' salaries, holiday compensation, ambulance call back overtime, regular overtime and EMT stipend line items have increased. There is no net change to the overall budget.

- The Town will propose an increase of 4.6% in Ambulance Enterprise rates as of July 1, 2014. This will primarily affect those who have private insurance coverage. Reimbursements from Medicaid and Medicare and Veteran's insurance coverage are capped and unlikely to increase.
- The Ambulance Enterprise subsidy has been reduced from \$44,720 down to \$34,789.

Mr. Thomas asked if the proposed 70 single-occupancy apartments at the VA will have an effect on the number of anticipated ambulance calls. Mr. Reed said he was not sure whether reimbursement would be at the federal government rate or the private insurance rate.

Mr. Reed then turned the Committee's attention to the Firefighter contract. The Selectmen have already voted to recommend approval of the contract which forms the basis of **Article 21 Appropriate Funds for Bedford Permanent Firefighters Association**.

The main driver of the cost increase is base wages; over the 3 years of the contract, base wages will increase by 6.25%, retroactive to July 1, 2013. Some other changes include EMT stipends and "career incentive" pay through attaining college degrees and specialized certification.

The contract reduces staffing for mechanics but increases staffing for computer technology. The Town has also agreed to buy dress uniform overcoats for the firefighters. This will be done in a staggered fashion over the three years of the contract to spread out the cost.

Other stipulations in the contract include a drug testing provision when there is suspicion of abuse or following an accident.

A piece of groundwork that was laid with the contract allows for the addition of paramedic-qualified staff to the department. Bedford now relies on contracted services but Mr. Reed noted that many towns are moving toward having paramedics on staff to reduce costs and shorten response time. The proposal to move forward with this initiative is likely to come before the Selectmen this spring or summer.

Mr. Steele noted the addition of paramedics on staff would mean the EMT fees now incurred would go down. Mr. Reed agreed it would "recapture costs".

Ms. Perry made a motion that the Finance Committee recommend approval of **Article 21 Appropriate Funds for Bedford Permanent Firefighters Association Agreement** for \$38,551.00 as written in the warrant. Ms. McClung seconded. The motion passed 7-0-0.

Mr. Busa made a motion that the Finance Committee approve the changes made to the Selectmen's department, Fire department and Ambulance budgets as shown in **Model 3.3**. Ms. McClung seconded. The motion passed 7-0-0.

Mr. Garofalo referred to **Model 3.3** once again, drawing attention to the homeless student transportation reserve under Finance Committee Reserve. At a recent Fiscal Planning meeting, Superintendent Sills said he believed the amount set aside is too high, given the reduction in homeless student numbers. He recommended reducing the line item from \$275,000 to \$250,000.

After discussion of whether it is reasonable to expect 100% reimbursement from the State—last year the percentage was “in the 90’s” but there is little history to rely upon— Mr. Bowen made a motion to reduce the line item as recommended. Mr. Busa seconded. The motion passed 7-0-0.

Mr. Bowen then moved that the Finance Committee reduce the estimated revenue from Additional Non-recurring State Aid to \$200,000, which translates to 80% of expected homeless student transportation costs. This is a \$50,000 reduction to the line item. Ms. Perry seconded. The motion passed 7-0-0.

With this reduction, the amount of unused levy over \$1M equals \$40,767.

On the subject of the School/Fin Com budget delta of \$148,556, Superintendent Sills said the School Committee voted at its last meeting to reduce their approved budget by \$78,475. This leaves a delta of \$70,081.

Mr. Busa asked about revenue from School rentals, saying he has looked at nine years of the account’s balance and wants to know how much will come out of it to subsidize the FY15 School budget. To answer Mr. Busa’s question, School Committee Chair Pierce said that by the end of the year, the projected revenue in three funds—the Athletic Fund, the E Rate Fund and the School Rental Fund—will be \$190,000. All of that amount will be applied to the budget.

Mr. Busa asked if the balance in the three funds would then be \$0. Mr. Pierce replied said what is projected to be collected by June 30, 2014 will be applied in FY15. Collection from the accounts in FY15 will be applied on FY16.

Mr. Thomas asked if that meant that the balances would stay level, given that “collections” would be applied but not some or all of the original balance. If the balances will go down, how much will they go down by? Mr. Pierce said that balances would go down. To explain, he said “if I look at the School Rental account, we collect \$85,000 and we will spend \$116,000.”

Mr. Busa said that would leave “well over \$100,000 just in that one account, just floating around.” Mr. Pierce clarified his meaning. “If we continue to collect what we expect to collect this year, we have a balance at the end of June 30th of \$190,000. We start the fiscal year and we apply all of that to our budget in FY15. Theoretically, we will have zero at that point. We will have receipts during the year in FY15 to replenish those three funds. So we’ve used everything that we think we have. We’ll continue to collect in FY15 and presumably used what we collect against FY16. We’ve used it all. ”

Mr. Busa then asked how much funding would be used from the Mudge account. Mr. Pierce replied that \$3,000-\$4,000 would be used. Mr. Busa questioned why so little would be used from an account with over \$200,000 in it. Mr. Pierce replied that the School Committee has historically used the interest only

from that fund. Mr. Busa pointed out that \$15,000 was the original fund principle; if only the interest is used, the fund would not have reached over \$200,000. Mr. Pierce said he could only speak to the period of time he's been on the School Committee but he added that there is a commitment to preserve the fund for future generations. Mr. Busa said the account could be used to fund part of the athletics budget. Mr. Sills replied it is the understanding of the Schools that the fund's founder did not want the money to be used for operational costs.

Mr. Busa made a motion that the Finance Committee move \$70,081 into the School budget using the \$40,767 budget surplus and reduce the snow deficit budget by the remaining amount (\$29,314). Mr. Kenney seconded.

Mr. Bowen asked about the status of the snow deficit account. Two minor snow events have taken place since the last meeting but those payroll figures have not yet been posted. Mr. Busa said that the snow deficit is one of only two places the Town can go over budget. Mr. Garofalo agreed, saying the difference, if any, can be made up at a later date.

The motion to move \$70,081 to the School budget passed 7-0-0. The School budget total, agreed to by both FinCom and the School Committee, is now \$35,656,554.

Mr. Busa motioned to adjourn. Mr. Thomas seconded. The vote was 7-0-0.

Respectfully submitted,
Kim Siebert, FinCom Recording Secretary